



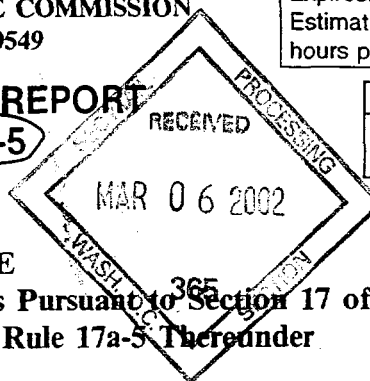
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

OMB APPROVAL  
OMB Number: 3235-0123  
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SEC FILE NUMBER  
8-18148



## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2001 AND ENDING 12/31/2001  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: South Texas Securities Co.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

13027 Taylorcrest, P O Box 79626

(No. and Street)

Houston

TX

77279-9626

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Frank Hartung

713-464-0202

(Area Code — Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Harold N May & Co, P.C.

(Name — if individual, state last, first, middle name)

Suite 1440 440 Louisiana Houston

TX

77002

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 26 2002

FOR OFFICIAL USE ONLY

THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information  
contained in this form are not required to respond unless the form displays  
a currently valid OMB control number.

VF  
3-22-02

## OATH OR AFFIRMATION

I, Frank E. Hartung, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of South Texas Securities Co., as of December 31, 2001, 19    , are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, ~~except as follows:~~                     

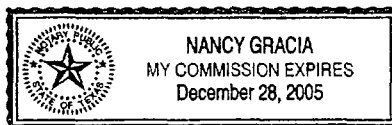
Frank E. Hartung

Signature

Partner

Title

Nancy Gracia  
Notary Public



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

DECEMBER 31, 2001 STATEMENT OF FINANCIAL CONDITION  
SOUTH TEXAS SECURITIES CO. (A PARTNERSHIP)

ASSETS:

Cash	\$ 3,153
Securities	3,580
Total Assets	\$ 6,733
	=====

PARTNERS' CAPITAL 6,733

TOTAL LIABILITIES AND  
PARTNERS' CAPITAL

\$ 6,733  
=====

**Note 1:** Accounting Policies. Security Transactions are recorded on settlement dates. Securities are valued at market. No provision has been made for federal income taxes, as each partner is responsible individually for applicable taxes.

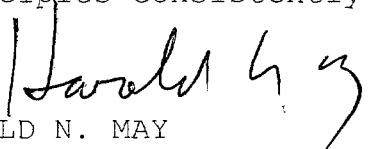
**Note 2:** The Company's net capital and net capital requirement under SEC Rule 15c3-1 were \$6,098 and \$5,000 respectively.

HAROLD N. MAY & CO., P.C.  
P.O. BOX 70245  
HOUSTON, TEXAS 77270-0245

South Texas Securities Co., Houston, Texas

We have examined the statement of financial condition of South Texas Securities Co. (a partnership) as of December 31, 2001. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we deemed necessary in the circumstances.

In our opinion, the statement of financial condition fairly presents the financial position of South Texas Securities Co. as of December 31, 2001, in accordance with generally accepted accounting principles consistently applied.



HAROLD N. MAY  
Certified Public Accountant  
February 25, 2002

A copy of the Statement of Financial Condition of the most recent annual examination report of South Texas Securities Co. pursuant to S.E.C. Rule 17a-5 is available for examination at the office of the Company and at the regional office of the S.E.C., Fort Worth, Texas.

# Regulation Application

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Part IIA

17a-5(a)

Quarterly

December

2001

User Id: HartungF

SOUTH TEXAS SECURITIES CO.

Firm Id: 4029

## ASSETS

Consolidated ☐ [0198] Unconsolidated ☒ [0199]

Validated

Allowable

Non-Allowable

Total

☒ Validation Results

Errors - 0  
Warnings - 0

1.	Cash				
			3,153		3,153
					[0750]
					[0200]
2.	Receivables from brokers or dealers:				
	A. Clearance account	+			
					[0295]
	B. Other	+			
					[0300]
					[0550]
3.	Receivables from non-customers	+			
					[0355]
					[0600]
4.	Securities and spot commodities owned, at market value:				
	A. Exempted securities	+			
					[0418]
	B. Debt securities	+			
					[0419]
	C. Options	+			
					[0420]
	D. Other securities	+	3,580		
					[0424]
	E. Spot commodities	+			
					[0430]
					3,580
					[0850]
5.	Securities and/or other investments not readily marketable:				
	A. At cost				
					[0130]
	B. At estimated fair value	+			
					[0440]
					[0610]
6.	Securities borrowed under subordination	+			
					[0660]
					0
					[0860]
					0
					[0860]

[uou]

[0160]

10640

0  
[0890]

[0180]

[0190]

[0650]

[0660]

0  
[0900]

[0670]

0  
[0910]

[0680]

0  
[0920]

11.	Other assets	+		+			0
							[0930]
			[0535]		[0735]		
12.			6,733		0		6,733
	<b>TOTAL ASSETS</b>		[0540]		[0740]		[0940]

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[Cover] [Assets] [Liabilities] [Income] [Exemptive Provisions] [Net Capital] [Scheduled Withdrawals] [Statement of Changes]  
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# Regulation Application

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Part IIA

17a-5(a)

Quarterly

December

2001

User Id: HartungF

SOUTH TEXAS SECURITIES CO.

Firm Id: 4029

## LIABILITIES AND OWNERSHIP EQUITY

	Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
Validated	13. Bank loans payable	+ [1045]	+ [1255]	0 [1470]
<input checked="" type="checkbox"/> Validation Results	14. Payable to brokers or dealers:			
Errors - 0	A. Clearance account	+ [1114]	+ [1315]	0 [1560]
Warnings - 0	B. Other	+ [1115]	+ [1305]	0 [1540]
Cover	15. Payable to non-customers	+ [1155]	+ [1355]	0 [1610]
Assets	16. Securities sold not yet purchased, at market value		+ [1360]	0 [1620]
Liabilities	17. Accounts payable, accrued liabilities, expenses and other	+ [1205]	+ [1385]	0 [1685]
Income	18. Notes and mortgages payable:			
Exemptive Provision	A. Unsecured	+ [1210]		0 [1690]
Net Capital	B. Secured	+ [1211]	+ [1390]	0 [1700]
Scheduled Withdrawals	19. Liabilities subordinated to claims of general creditors:			
Statement of Changes	A. Cash borrowings:		+ [1400]	0 [1710]
	1. from outsiders			
	+ [0970]			
	2. Includes equity subordination (15c3-1(d)) of			
	+ [0980]			
	B. Securities borrowings, at market value:			0

[1410]

[1720]

from outsiders

+ [0990]

C. Pursuant to secured demand note collateral agreements:

+ [1420] 0 [1730]

1. from outsiders

+ [1000]

2. Includes equity subordination (15c3-1(d)) of

+ [1010]

D. Exchange memberships contributed for use of company, at market value

+ [1430] 0 [1740]

E. Accounts and other borrowings not qualified for net capital purposes

+ [1220] + [1440] 0 [1750]

20.

TOTAL LIABILITIES

0 0 0  
[1230] [1450] [1760]

## Ownership Equity

Total

21. Sole proprietorship

[1770]

22. Partnership (limited partners + [1020])

6,733 [1780]

23. Corporations:

A. Preferred stock

+ [1791]

B. Common stock

+ [1792]

C. Additional paid-in capital

[1793]

D. Retained earnings

[1794]



	E. Total	<div></div> <div>0</div> <div>[1795]</div>
	F. Less capital stock in treasury	<div>-</div> <div></div> <div>[1796]</div>
24.	TOTAL OWNERSHIP EQUITY	<div></div> <div>6,733</div> <div>[1800]</div>
25.	TOTAL LIABILITIES AND OWNERSHIP EQUITY	<div></div> <div>6,733</div> <div>[1810]</div>

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